

Garner Hayfield CSD/Garner Hayfield Educational Services Assn.

2005-2006

CEO-1052

SECTOR - 1

.....
In the matter of the dispute between
GARNER-HAYFIELD COMMUNITY
SCHOOL DISTRICT
GARNER, IOWA

And

GARNER-HAYFIELD EDUCATIONAL
SERVICES ASSOCIATION/ISEA
.....

*
*
*
*
*
*
*
*
*
*
*

FACT-FINDER'S RECOMMENDATIONS

Richard Pegnetter
Fact-Finder
June 8, 2006

RECEIVED
JUN 12 AM 8:51
GARNER-HAYFIELD
EDUCATIONAL SERVICES ASSOCIATION

A fact-finding hearing in the above matter was held in Garner, Iowa on May 25, 2006 before the undersigned Fact-Finder. During the hearing, both the Association, Garner-Hayfield Educational Services Association, and the District, Garner-Hayfield Community School District, were given full opportunity to provide evidence and argument. The hearing began at 4:00 pm and ended at 7:30 pm. Neither party chose to file a post-hearing brief.

APPEARANCES:

For the Association: Joann Mackin - Director of UniServ Unit Two

For the District: J. Mathew Anderson - McManigal, Duffy, Stambaugh & Anderson

Background. Garner-Hayfield Community School District is located in north-central Iowa and has a student enrollment of about 800 students. The Association represents a bargaining unit of non-certified employees that includes teacher aides, food service workers, bus drivers, and custodial workers. The parties have had a bargaining

relationship since 1994, with their first contract being negotiated for the 1995-96 school year.

During bargaining for the 2006-07 contract, the parties were able to resolve most items, but an impasse remained over two issues. The parties presented the Fact-Finder with the following ISSUES AT IMPASSE:

- a. Holidays. The current agreement provides in Article 5 for 9.5 paid holidays for 12 month employees in the bargaining unit, and two paid holidays for all other employees who work 30 hours a week or more. The Association proposal seeks to add three additional paid holidays for employees working 30 hours a week or more. The District proposal offers one additional holiday for all non-certified staff, with the cost of that holiday being included in the 4.2% wage package being offered by the District.
- b. Wages. Article 13 of the current agreement provides starting wage rates for non-certified employees that range from \$7.73 per hour for food service workers to \$48.12 per day for route drivers. The Association proposes a 4.75% increase in wages for most unit employees, with a 5.43% increase for custodians to reflect their health and dental insurance. The District proposes a 4.2% wage increase package for all non-certified employees, with that increase including the cost of an additional holiday for employees working 30 or more hours a week.

1. HOLIDAYS.

Position of the Association. The Association argues that non-certified staff in other districts in Unit Two provide for more paid holidays than Garner-Hayfield. Unit

Two is an Association service area that includes Belmond-Klemme, Charles City, Fort Dodge, Osage, and Webster City (Association Exhibit 10). The Association cited data to show that, with the exception of custodians, all other non-certified job classifications in Garner-Hayfield have fewer paid holidays than the average across the comparison group (Association Exhibits 10 through 13). The Association also submitted evidence to show that Garner-Hayfield provided fewer paid holidays than local private employers and local public employers outside of education (Association Exhibits 14 & 15). The Association contends that its proposal to add three paid holidays for all employees working 30 or more hours per week would bring Garner-Hayfield non-certified staff in line with other school systems in the north-central area of Iowa.

Position of the District. The District proposes to add one paid holiday for employees working 30 or more hours a week and to take the cost of this new holiday out of their proposed 4.2% total package for wages and fringe benefits. The District stresses the importance of providing a consistent wage and benefit increase for all employees in the school system. The District submits that it negotiated a 4.2% total increase for the certified teacher unit for 2006-07. The District notes that a 4.2% wage increase, plus an additional holiday for some non-certified staff, would exceed the comparable increase negotiated with the teacher unit. The District estimates the cost of adding a holiday and providing a 4.2% increase on wages would amount to a 4.45% increase for the non-certified bargaining unit (District Exhibit G). Further, the District disputes the value of using public non-education and private employer data to compare holiday benefits with Garner-Hayfield employees. The District emphasizes that these employers are subject to different economic conditions and, therefore, not comparable to public school employees.

2. WAGES.

Position of the Association. The Association is proposing an increase in all salary levels of 4.75% for 2006-07. This varies for the custodians, the only non-certified group with health and dental insurance. Under the Association proposal, custodian salaries would increase 5.43% to 6.55%, with no increase in health and an 18% increase in dental insurance. This would result in a total package increase of 4.7% for custodians. The Association claims that the total cost of their proposal for both wages and holidays for the non-certified unit results in a total increase of 5.49% (Association Exhibits 2 and 6).

As with their presentation of evidence related to holidays, the Association emphasizes comparisons with other school districts in Unit Two, an ISEA grouping of schools in north-central Iowa. The Association stresses that these comparison data show that Garner-Hayfield salaries for non-certified staff are generally below the average for the comparison group at both minimum and maximum salary levels (Association Exhibits 10 through 13). Further, the Association argues that salary increases for non-certified employees typically exceed the total settlements for certified bargaining units. The Association notes that the average teacher settlement where both certified and non-certified units bargain in Iowa in 2005-06 was 4.44% for teachers and 5.19% for non-certified support staff (Association Exhibit 19). Consequently, the Association contends that there is no evidence to support the need to have increases for non-certified staff be equal to the increase for the teacher bargaining unit. A similar pattern is emerging in the negotiations for 2006-07 Iowa contracts (Association Exhibit 20).

Finally, the Association contends that percentage increases do not work fairly for employees who are paid at low levels, compared to teacher salaries. The Association

argues that a 4% increase for an employee making only \$10.00 per hour results in a total annual increase of less than \$1000.00. Whereas a 4% increase for an individual earning \$40,000 per year nets an annual gain of \$1600.00 (Association Exhibit 16). Further, the Association submits that most of the non-certified staff do not have the additional fringe benefits like health insurance enjoyed by both the certified staff at Garner-Hayfield and the non-certified employees in the comparison group in Unit Two. Consequently, the Association urges that a percentage increase for non-certified employees should be larger than the percentage used to increase teacher salaries. The Association submits that its request for a 4.75% increase in wages is fair and justified and that the District can afford the increase because of its favorable budget position (Association Exhibit 29).

Position of the District. The District proposes a 4.2% total package, including wages. The District stresses the importance of treating all employees fairly and notes that the certified or teacher bargaining unit employees will see a 4.2% increase in the 2006-07 school year. The superintendent testified that this philosophy on equity in salary increases is an important element in having all employees in the school district feel equally valued as members of the District's workforce.

Beyond the matter of equal percentage increases, the District contends that the comparison group used by the Association is flawed. The District argues that several of the schools in the Association comparison group are much larger than Garner-Hayfield and are not appropriate for comparison. The District emphasizes that schools like Fort Dodge, Webster City, and Charles City are much larger and do not represent school systems similar to Garner-Hayfield. Of the Association's comparison group, the District notes that only Osage and Belmond-Klemme are in the same 2-A athletic conference as

Garner-Hayfield. Consequently, the District submits that comparisons with similar schools do not support the Association proposal.

A central issue in the District's evidence relates to the bargaining that preceded impasse and eventually led to the need for fact-finding recommendations. The District maintains that there was an agreement in negotiations with the non-certified staff for a 4.2% total package increase. The District provided testimony to show that a tentative agreement was reached in bargaining with the non-certified unit for a 4.2% increase, similar to the settlement of 4.2% reached with the teacher unit. The District contends that this tentative agreement was reached with no conditions for additional holidays or any other benefits that would exceed the total package cost of 4.2%. The District urges that this earlier, tentative agreement with the non-certified unit should be an important element of evidence to support the District proposal for a total package increase of 4.2%.

Regarding the financial condition of the District, the District maintains that it will have to reduce spending by more than \$300,000 over the next two years. The District notes that, while it is in better financial condition than many other districts that are facing more significant cuts, it is making a reasonable effort to increase wages and still sustain responsible budget integrity.

DISCUSSION

The parties focused on three major elements in support of their positions; the comparison of non-certified wages and benefits at Garner-Hayfield with non-certified staff in other, near-by school districts, the financial condition of the District, and the internal comparison of non-certified wages and benefits with other District employees. This last element also included the issue of a "tentative" agreement during negotiations.

Regarding the matter of comparisons with near-by school districts, the argument of the District is persuasive. An important factor in using salary and benefit comparisons from near-by school districts is that it tends to capture similar economic aspects within a geographic area. These often include cost-of-living similarities, shared labor markets, and similar financial environments and working conditions. However, there are only two schools in the Association's comparison group of five near-by districts that are appropriate for comparison with Garner-Hayfield. Those districts are Belmond-Klemme and Osage. These two districts are similar in size to Garner-Hayfield and in the same athletic division. The other three schools cited by the Association as Unit Two schools are much larger districts. This makes them reflective of different financial dimensions and organizational size. The result is a work environment that is not as useful for comparison with Garner-Hayfield. The use of non-school comparisons, like other public or private employers in the area, are not instructive here since they represent different work and economic conditions.

Using Belmond-Klemme and Osage for comparison, non-certified at Garner-Hayfield fall within the range on salary and holidays represented by these two comparison school districts. In general, minimum salaries for various classifications at Garner-Hayfield are in the range of minimums in the other two districts. For example, food service workers at Garner-Hayfield start at \$7.73 per hour, while the starting range at the two comparison schools is \$6.97 at Belmond-Klemme and \$8.39 at Osage (Association Exhibit 11). Garner-Hayfield provides two paid holidays, while the other two districts provide seven and two paid holidays, respectively. While not at impasse here, it should be noted that, except for custodians, Garner-Hayfield does not provide

other fringe benefits like health insurance in a comparable way with Belmond-Klemme and Osage.

Regarding the ability of the District to fund a reasonable wage and benefit increase, there is no ability-to-pay issue in this dispute. The Association pointed accurately at several aspects of the District's financial condition. The District had over \$850,000 in unspent balance at the end of the 2004-05 school year and the District will see a regular program, enrollment-based increase of over \$75,000 for 2006-07 (Association Exhibits 29, 30, 34). The District did not claim an inability-to-pay related to negotiations for the 2006-07 contract. In fact, an unexpected custodian resignation is being considered as an option for additional savings. The evidence suggests that the District is managed with sound fiscal policies and planning.

Regarding the internal issue of comparison with the teacher unit settlement, the heart of the impasse is evident. The District is seeking to maintain parity between the total package cost of the certified and non-certified bargaining units. That number is a total cost of 4.2% for any increases in wages and benefits. The District claimed that a tentative agreement was reached with the non-certified staff unit at 4.2%. The Association argued that they felt the 4.2% agreement was only on wages and did not include the cost of any additional holidays. The Association witnesses acknowledged that they had orally agreed to a 4.2% wage increase in bargaining, but did not intend that agreement to signal that they had dropped their demand for increased holiday benefits. I view this bargaining lapse as a misunderstanding between the parties. The District was fixed on 4.2% as the number they had agreed to in the teacher unit settlement. The Association bargaining team saw a 4.2% wage increase as reasonable and agreed to that

number without appropriately emphasizing that they still needed additional paid holidays for a complete settlement. The parties left that bargaining session with somewhat different expectations about what they individually felt was contained in the "tentative" agreement. Perhaps this could have been avoided if they had reduced the tentative agreement to writing. The tenor of the excellent relationship both parties evidenced at the Fact-Finding hearing suggested that there was no attempt by either party to intentionally mislead the other side. However, there was no written document developed for the tentative agreement and the misunderstanding was continued through mediation.

Given the above review of the evidence and argument presented, I will recommend below a 4.2% wage increase for all employees in the non-certified unit and the addition of one paid holiday for all employees who work 30 or more hours per week. This recommendation will vary slightly for custodians, given the different fringe package they are provided. This recommendation is based on the following analysis:

1. A 4.2% increase will sustain Garner-Hayfield support staff in their current, relative salary position in comparison with the other two similar districts in the area, Belmond-Klemme and Osage. A 4.2% increase for Garner-Hayfield food service and teacher aides will range from \$.35 to \$.62 per hour, similar to the \$.51 per hour increase on base salaries at Osage for 2006-07 (Association Exhibit 25). Salary increases at Belmond-Klemme were less for 2006-07 at \$.25 per hour, but these employees also enjoy health insurance benefits not provided for Garner-Hayfield non-custodian support staff.
2. Adding an additional paid holiday for Garner-Hayfield non-certified employees who work more than 30 hour per week will improve their comparability with

Osage and Belmond-Klemme in fringe benefits. Osage provides seven paid holidays for non-custodial support staff and Belmond-Klemme has two paid holidays. The addition of an additional paid holiday for Garner-Hayfield support staff who work more than 30 hours per week will move Garner-Hayfield staff to a stronger middle position in the comparison group. It should be noted here that the Garner-Hayfield custodians already have 9.5 paid holidays and this recommendation will provide no increase in paid holidays for them. The custodians also have health insurance and the other non-certified staff do not.

3. The estimated, total-package cost of a 4.2% wage increase and the addition of another paid holiday for the affected non-certified staff is estimated to be a total 4.45% increase for the 2006-07 school year (District Exhibit G). This increase will be below the reported total package increase for Belmond-Klemme at 5.82%, but very comparable to the 4.51% increase reported for support staff at Osage. As a contextual note, a 4.45% total package increase will be only about 0.5% below the reported Unit Two average increase for support staff, which includes both small and large districts (Association Exhibit 25).
4. The dollar cost of providing an additional paid holiday for non-certified employees who work 30 or more hours per week will add less than \$1500 to the total cost of the District's proposal of 4.2% for total package (District Exhibit G). While this is a modest total dollar amount, it will, as indicated above, represent a total package increase of 4.45%. This exceeds the total package increase of 4.24% in the teacher agreement for 2006-07 (District Exhibit E). While I appreciate the logic of treating both non-certified and certified employees

similarly, it must be noted that these two bargaining units in Garner-Hayfield are not starting at parity in terms of fringe benefits. The teacher contract already provides for five paid holidays and health insurance, exceeding the fringe benefits provided for food service, aides, and transportation employees. Only the custodians in the non-certified unit have both health insurance and more holidays. This difference in benefits between the two bargaining units also increases the effect of the teacher wage increase to 4.91%, even though the total package increase for the certified unit stays at 4.24% (District Exhibit E). Consequently, providing a slightly larger total package increase for non-certified employees in 2006-07 will not unduly distort the notion of similar settlements when the compositions of the wage and fringe benefit packages are not fundamentally equal for both units. Alternatively, I do not find the Association's argument that support staff settlements should traditionally exceed teacher settlements compelling (Association Exhibit 19). Such variations should always be reviewed individually.

5. Reflecting the Garner-Hayfield custodians' different package of wages and fringe benefits, it is noted that their wage increase will be 5.78% for 2006-07. This increase is calculated in the District data to incorporate the value savings of no increase in health insurance for 2006-07 (District Exhibits F and G). With a 5.78% increase for custodians, the total package cost for the increase across the entire non-certified bargaining unit will be 4.45%.

Therefore, in accordance with the above discussion, I hereby make the following

RECOMMENDATIONS

1. HOLIDAYS. The number of paid holidays provided for non-certified employees who work 30 hours per week or more shall be increased from two to three per year. The additional holiday recommended is Thanksgiving.
2. WAGES. Wage rates are to be increased by 4.2% for all non-certified unit employees, except custodians. Custodian wage rates are to be increased by 5.78% to reflect the impact of their health and dental insurance rates.



Richard Pegnetter
Fact-Finder

June 8, 2006
Bonita Springs, Florida